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PROVINCE OF BRITISH COLUMBIA

Fifty-Fourth Annual Report

of the Business Done in Pursuance of the

Pension (Public Service) Act

YEAR ENDED MARCH 31

1989

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The Honourable DAVID C. LAM,
Lieutenant-Governor of the Province of British Columbia

MAY IT PLEASE YOUR HONOUR:

The undersigned respectfully submits the Report of the business done in pursuance of the *Pension (Public Service) Act* during the fiscal year ended March 31, 1989.

CAROL GRAN
Minister of Government Management Services
and Minister Responsible for
Women's Programs

Office of the Minister of
Government Management Services and
Minister Responsible for
Women's Programs
Victoria, British Columbia
February 6, 1990

The Honourable CAROL GRAN
Minister of Government Management Services
and Minister Responsible for
Women's Programs
Victoria, British Columbia

MADAM:

I have the honour to lay before you the Report of the business done in pursuance of the *Pension (Public Service) Act* during the fiscal year ended March 31, 1989.

Respectfully submitted,

JOHN W. COOK
Superannuation Commissioner

February 6, 1990

PENSION (PUBLIC SERVICE) ACT

ANNUAL REPORT

Report of the business done in pursuance of the *Pension (Public Service) Act* for the fiscal year ended March 31, 1989

Sections 1,3,4,6,7,8,10,13,15,17,19,41 (members' and employers' contributions) — Members' contributions amounted to $71,169,734 made up as follows:

	$
Current and arrears	68,694,360
Voluntary	94,667
Purchase of service	1,992,733
Reinstatement	387,974
	71,169,734

As at March 31, 1989 there were 41,820 active contributors.

Employers' contributions amounted to $101,778,795 made up as follows:

	$
Minister of Finance and Corporate Relations	
Current and arrears	64,283,651
Purchase of service	1,943,850
Reinstatement	409,225
	66,636,726
Other employers —	
British Columbia Assessment Authority	2,078,488
British Columbia Buildings Corporation	2,263,807
British Columbia Ferry Corporation	7,107,092
British Columbia Housing Management Commission	487,814
British Columbia Institute of Technology	1,807,137
British Columbia Petroleum Corporation	66,115
British Columbia Place Stadium	41,299
British Columbia Steamship Company (1975) Ltd.	32,638
British Columbia Systems Corporation	1,702,649
British Columbia Transit	6,992,860
Emergency Health Services Commission	2,049,737
Employees' union, credit unions and associations	319,562
British Columbia Pavilion Corporation	303,085
Liquor Distribution Branch	4,474,765
Post Secondary Education Councils	24,990
Regional colleges	11,925
British Columbia Mental Health Society	3,488,866
	33,252,829
Purchase of service	214,240
Early Retirement Incentive Program	1,675,000
	101,778,795

Section 11 — As at March 31, 1989 deposits with the bank at credit of the Public Service Superannuation Fund amounted to $438,597. Units in Province of British Columbia Pooled Investment Portfolios held by the Fund amounted to $1,118,318,760 at book value. Long-term investments held by the Fund amounted to $2,026,329,100 at book value and are detailed on Schedule 1. A comparative summary of investment transactions and earnings is attached to this report in Schedule 2.

Section 12 — Income from investments earned by the Fund during the year amounted to $303,440,848.

Income is distributed to the accounts of the Fund at interest rates specified in the Acts or Regulations. For members entering service prior to April 1, 1958, a rate of 5% per annum was used. For members entering service subsequent to April 1, 1958, interest at 4% per annum was used for all accounts until September 30, 1974. At that time interest of 6% was used for contributions to the Voluntary Account.

An order-in-council was proclaimed in 1984 which changed interest rates paid to member and employer accounts to a fluctuating rate based on the lesser of the net earned rate of the Fund or the average interest rate paid on three major chartered banks non-chequing savings accounts. This interest rate is subject to a 6% minimum. For the period April 1, 1988 to March 31, 1989, this rate was 6% per annum compounded semi-annually.

For 1988/89, the interest credited to the accounts of the Fund was as follows:

	$
Members' Compulsory Contributions Basic Account	43,481,510
Members' Compulsory Contributions Inflation Adjustment Account	7,452,214
Members' Voluntary Contributions Account	412,905
Employer Contributions Basic Account	43,429,905
Employer Contributions Inflation Adjustment Account	7,462,224
Contributory Pensions Account	39,361,085
Special Agreement Account re certain former employees of B. C. Hydro and Power Authority	2,060
Special Agreement Account re certain employees of the Liquor Distribution Branch	1,291
Special Agreement Account re certain former employees of Medical Services Association	5,328
Reserve Account	144,002,908
Inflation Adjustment Pension Reserve	17,829,418

An Investment Advisory Committee, consisting of the Superannuation Commissioner and the Director, Finance, Superannuation Commission, together with representatives from the Ministry of Finance and Corporate Relations, the British Columbia Government Employees Union, and the B.C. Government Retired Employees Association meets on a quarterly basis during the year to determine an investment strategy for the succeeding quarter.

The investment strategy is to achieve and maintain a total asset mix of 30% short-term and 70% long-term investments.

The Provincial Treasury provides financial services to the Pension Fund which includes safekeeping and registration of securities and investment management services. The Fund was charged $689,105 for these services.

Section 14 — All monies received and paid out under the provisions of this Act are shown in the statement of changes in fund balance and the assets and liabilities appertaining to the granting of superannuation allowances are shown in the statement of financial position. These financial statements are attached to this report.

Pursuant to the 1980 amendments to the Act, these financial statements reflect the creation of an Inflation Adjustment Account for the purpose of financing the annual inflation adjustment supplementary allowances.

Sections 15, 17, 18, 19, and 20 — During the year 2,686 allowances were granted as follows:

Normal retirement	2,585
Total and permanent disability	2
Deferred allowances	44
Dependents upon death in service	55

As at March 31, 1989 there were 1,850 former contributors with credits in the Fund who were eligible to apply for deferred superannuation allowances after attaining the minimum retirement age.

The present value of the 2,686 new allowances granted during the year under the *Pension (Public Service) Act*, in the amount of $288,119,706 was credited to the Contributory Pensions Account from the following sources:

	$
Members' Compulsory Contributions Basic accumulated with interest	68,204,435
Members' Voluntary Contributions Account with interest	263,519
Employer Contributions Account	219,651,752

Section 16 — Transfers totalling $1,037,594 were received from 2 reciprocal and 4 other pension funds in respect of 26 contributors upon grant of allowance and in respect of 20 contributors following transfer of service as follows:

		$
Upon grant of allowance —		
Municipal Superannuation Fund	25	357,560
Teachers' Pensions Fund	1	1,172
During service —		
Government of Canada Public Service Pension Account	11	463,372
Province of Alberta Public Service Pension Fund	6	106,692
Province of Manitoba Public Service Pension Fund	2	28,084
B.C. Hydro and Power Authority Pension Fund	1	80,714

By special arrangement, Crown Life Insurance Company reimbursed the Fund amounts totalling $178,929 representing that portion of the superannuation allowances received by former employees of the Liquor Distribution Branch that had been purchased from the Company prior to August 1, 1961.

Transfers totalling $1,022,574 were made to 1 reciprocal and 6 other pension funds in respect of 28 contributors following transfer of service.

During Service —		$
Municipal Superannuation Fund	5	21,612
Province of Ontario Pension Fund	2	125,460
Government of Canada Public Service Superannuation Account	14	655,831
Province of Alberta Public Service Pension Fund	2	7,791
Province of Manitoba Public Service Pension Fund	2	86,452
B.C. Hydro and Power Authority Pension Fund	1	53,613
Central Mortgage and Housing Corporation Pension Fund	2	71,815

Sections 18(7), 22 and 23 — Refunds totalling $22,790,074 were granted in respect of 4,208 former contributors as follows:

		$
Resignations	3,561	21,943,715
Death in service	49	753,587
Excess and voluntary contributions on grant of allowance	269	82,393
Miscellaneous	329	10,379

Of the refunds granted, 64 were payable to former contributors who were entitled to leave their credits in the Fund in order to receive a deferred superannuation allowance after attaining the minimum retirement age.

Section 27 — Administration and actuarial expenses amounting to $2,220,626 were paid from the Fund.

An actuarial valuation of the assets and liabilities of the Fund is required to be made by an actuary from time to time at intervals of not more than five years. The most recent valuation was carried out as at March 31, 1987.

The valuation indicated an unfunded liability in respect of basic pension benefits of approximately $456,062,000 as of March 31, 1987. This represents a decrease of $99,796,000 since March 31, 1984.

Section 42 — Inflation adjustment supplements totalling $26,640,639 ($22,686,939 in 1987/88) were charged to the Contributory Pensions Account. The annual increases are tied to the consumer price index and are payable to the extent that the capitalized value is available in the Inflation Adjustment Account. Members and employers also each contribute 1.25% of salary to the Inflation Adjustment Account. Interest earnings attributable to funds held for the payment of contributory allowances in excess of the rate assumed by the actuary are also allocated to this Account.

Comparative, statistical and detail schedules of contributions, refunds and allowances granted and in force at the year end are attached to this report.

Sections 43, 44, 45 and 46 — Death Benefits Fund claims payments totalling $183,900 and sources of funds to this Fund are summarized in Schedule 9 attached to this report.

JOHN W. COOK, F.C.I.A.
Superannuation Commissioner

Legislative Assembly
Province of British Columbia

AUDITOR GENERAL

8 Bastion Square
Victoria
British Columbia
V8V 1X4
Telephone: (604) 387-6803
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AUDITOR'S REPORT

To the Superannuation Commissioner,

To the Minister of Government Management Services,
Province of British Columbia, and

To the Minister of Finance and Corporate Relations,
Province of British Columbia:

I have examined the statement of financial position of the Public Service Superannuation Fund as at March 31, 1989 and the statement of changes in fund balance for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at March 31, 1989 and the changes in the fund balance for the year then ended in accordance with the accounting principles described in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Further, I have examined the transactions that came to my notice in the course of my examination of the financial statements to determine whether they were in accordance with the *Pension (Public Service) Act*. In my opinion, these transactions were, in all significant respects, in compliance with the Act.

GEORGE L. MORFITT, F.C.A.
Auditor General

Victoria, British Columbia
July 25, 1989

PUBLIC SERVICE SUPERANNUATION FUND

STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 1989

	1989	1988
	($ Thousands)	
ASSETS	$	$
Cash	439	940
Contributions receivable	17,733	52,694
Due from Members of the Legislative Assembly Superannuation Account (Note 8)	925	1,050
Accrued interest	52,531	50,207
Investments (Note 3)	3,155,148	2,847,496
Deferred losses less gains on sale of investments (Note 4)	8,538	7,320
	3,235,314	2,959,707
LIABILITIES		
Accounts payable and accrued liabilities	11,991	1,092
FUND BALANCE		
Basic Account	2,842,913	2,643,151
Inflation Adjustment Account	380,410	315,464
	3,223,323	2,958,615
	3,235,314	2,959,707

The nine accompanying notes are an integral part of these financial statements.

APPROVED BY:

JOHN W. COOK, F.C.I.A.,
Superannuation Commissioner

VICTOR BARWIN, C.A.,
Director, Finance, Superannuation Commission

PUBLIC SERVICE SUPERANNUATION FUND

STATEMENT OF CHANGES IN FUND BALANCE FOR THE YEAR ENDED MARCH 31, 1989

	Basic Account	Inflation Adjustment Account	Totals 1989	Totals 1988
		($ Thousands)		
Fund Balance Increased by				
Members' contributions	$	$	$	$
Current	53,623	15,071	68,694	71,129
Voluntary	95	—	95	205
Purchase of service	1,986	6	1,992	682
Reinstatement	388	—	388	203
	56,092	15,077	71,169	72,219
Employers' contributions				
Province of British Columbia				
Current	54,461	9,822	64,283	70,210
Purchase of service	1,944	—	1,944	447
Reinstatement	409	—	409	199
Early Retirement Incentive Program (Note 5)	—	—	—	42,250
Other employers				
Current	29,147	4,106	33,253	31,762
Purchase of service	214	—	214	138
Early Retirement Incentive Program (Note 5)	1,223	452	1,675	—
	87,398	14,380	101,778	145,006
Transfers from other funds	1,112	104	1,216	1,027
Transfers from Members of the Legislative Assembly Superannuation Account (Note 8)				
Capitalized value of contributory allowances	911	—	911	1,037
Inflation adjustment contributions	—	29	29	33
Income from investments	270,697	32,744	303,441	261,335
Total Increase	416,210	62,334	478,544	480,657
Fund Balance Decreased by				
Superannuation allowance payments				
Contributory	134,086	—	134,086	99,961
Inflation adjustment supplements	26,640	—	26,640	22,687
	160,726	—	160,726	122,648
Refunds	18,909	3,881	22,790	19,083
Transfer Option for Privatized Employees (Note 6)	22,612	3,776	26,388	—
Transfers to other funds	879	143	1,022	794
Administration and actuarial fees	2,221	—	2,221	1,580
Investment management fees	613	76	689	641
Total Decrease	205,960	7,876	213,836	144,746
Net Increase Before Transfers	210,250	54,458	264,708	335,911
Transfers (Note 7)	(10,488)	10,488	—	—
Net Increase In Fund Balance	199,762	64,946	264,708	335,911
Fund Balance at Beginning of Year	2,643,151	315,464	2,958,615	2,622,704
Fund Balance at End of Year	2,842,913	380,410	3,223,323	2,958,615

PUBLIC SERVICE SUPERANNUATION FUND

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 1989

1. DESCRIPTION OF THE PUBLIC SERVICE SUPERANNUATION PLAN

The following brief description of the plan is provided for general information only. For more complete information about the plan, reference should be made to the *Pension (Public Service) Act*.

(a) General

The plan is a defined benefit pension plan open to eligible employees of the public service and certain Crown corporations, agencies, institutions and other employers to which the *Pension (Public Service) Act* applies.

(b) Contributions

Members contribute to the Basic Account 4¼% of salary up to the Canada Pension Plan's Year's Maximum Pensionable Earnings and 5¾% on earnings above that. Employers contribute to the Basic Account 6¾% of salary up to the Year's Maximum Pensionable Earnings and 8¼% on earnings above that. Members and employers also each contribute 1¼% of salary to the Inflation Adjustment Account which was created in 1980 to provide for the payment of inflation adjustment supplements.

(c) Retirement Benefits

Members are eligible for an unreduced pension at an age within 5 years of normal retirement age with at least 10 years contributory service, or at age 55 with 35 years contributory service. A reduced pension is payable at an age 10 years under normal retirement age with at least 10 years contributory service.

The plan provides for a pension of 2% of the highest 5-year average salary for each year of pensionable service (to a maximum of 35 years). At age 65, or date of death or disability, if earlier, there is a reduction in the formula as a result of integration with the Canada Pension Plan.

The inflation adjustment supplements are provided each January 1st and are related to the annual increase in the Consumer Price Index (CPI) as at the previous September 30th. The increase is pro-rated if the capitalized value of the increase exceeds the funds available in the Inflation Adjustment Account. As there were sufficient funds available at January 1, 1988, a full CPI increase of 4.5% (1987 — 4.1%) was provided to the basic lifetime portion of the contributory superannuation allowances in force. Sufficient funds were also available to provide a full CPI increase of 4.1% effective January 1, 1989.

(d) Termination and Portability Benefits

A terminating member may choose between leaving accumulated contributions on deposit or obtaining a refund. The refund includes interest credited. Members with at least 10 years of contributory service who leave contributions in the Fund are entitled to deferred pension benefits. Those members not withdrawing contributions may carry certain pension rights to other pension plans that have portability arrangements with the Public Service Superannuation Plan. New members may also, under portability arrangements, transfer contributions and service from other plans to provide for, or to increase, pension benefits under the Public Service Superannuation Plan.

(e) Other Benefits

Disability and survivor benefits are available under the plan.

(f) Legislation

Bill 39, the *Pension (Miscellaneous Amendments) Act, 1988*, which received Royal Assent on June 29, 1988 provided for numerous amendments to the *Pension (Public Service) Act*. The provisions of the Act were changed to remove the age restriction for becoming a member of the plan and to require that a member will always remain a member while still employed with the same employer.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) General Information

These financial statements have been prepared on the accrual basis of accounting. They show only the financial position of the Fund as at March 31, 1989 and the changes in Fund balance for the year then ended and do not purport to show the adequacy of the Fund to meet the obligations of the superannuation plan. The results of the latest actuarial valuation of the plan are described in Note 9 below.

(b) Investments

(i) Short-term investments are carried at cost of acquisition.

(ii) Units in Pooled Investment Portfolios are carried at the cost of acquisition adjusted by income attributed to the units. Income attributed to the units represents the Fund's share of investment income earned by the Portfolios and is realizable by the Fund upon the sale of the units.

(iii) Long-term bonds and notes are those purchased with a term in excess of one year. They are carried at cost of acquisition adjusted by the amortization of discounts and premiums on a constant yield basis over the remaining terms of the bonds and notes. Discounts on serial bonds are recognized as income when redemptions occur.

(iv) Shares are carried at cost adjusted annually by 7% of the difference between cost or adjusted cost and market value.

(c) Deferred Losses Less Gains on Sale of Investments

Gains and losses on disposal of long-term bonds and notes are deferred and amortized on a straight line basis over the lesser of the remaining terms of the bonds and notes or twenty years. The amortization is charged against income from investments.

3. INVESTMENTS

The book value of investments held at the end of the year was as follows:

	1989	1988
	($ Thousands)	
Short-term investments	$ 10,500	$ 33,513
Units in Province of British Columbia Pooled Investment Portfolios	1,118,319	960,079
Long-term bonds and notes	2,002,999	1,831,426
Shares	23,330	22,478
	$3,155,148	$2,847,496

As at March 31, 1989, the market value of the units was $1,117,356,671 (1988 — $961,085,712), the market value of the long-term bonds and notes was $1,946,460,236 (1988 — $1,854,717,216) and the market value of the shares was $36,429,708 (1988 — $34,415,542).

4. DEFERRED LOSSES LESS GAINS ON SALE OF INVESTMENTS

	1989	1988
	($ Thousands)	
Balance at beginning of year	$ 7,320	$ 8,171
Losses less gains (gains less losses) on sale of investments	1,778	(902)
	9,098	7,269
Amortization for the year	(560)	51
Balance at end of year	$ 8,538	$ 7,320

5. EARLY RETIREMENT INCENTIVE PROGRAM

The Province of British Columbia and certain Crown corporations offered an early retirement incentive program to eligible employees during the period October 20, 1987 to March 31, 1988. Approximately 2,600 employees took advantage of this program. The Province and the Crown corporations each agreed to make lump sum payments to fund the waiver of the plan's early retirement reduction formula for employees retiring before their normal retirement age. The cost to the Crown corporations of this benefit has been calculated at $1,675,000 (1988 — nil) and has been included in the Contributions Receivable as at March 31, 1989. The cost to the Province of this benefit was calculated at $42,250,000 and was included in the Contributions Receivable as at March 31, 1988.

6. PENSION OPTIONS FOR PRIVATIZED EMPLOYEES

Special pension options were available to members who ceased to be employed by the Province of British Columbia because their employment was transferred out of the public service as a result of privatization. Those members were able to receive a refund of their contributions (refund option), leave their contributions in the pension plan and then be eligible for a deferred pension (deposit option), or transfer the value of their pension to a personal registered retirement savings plan or other pension plan (transfer option). The value of the transfer options granted was $26,388,350 (1988 — nil).

7. TRANSFERS

The Basic Account is increased by the capitalized value of inflation adjustment supplements granted and by the capitalized value of the indexing of the highest average salary for members electing deferred pensions during the year.

The Inflation Adjustment Account is increased by income that is earned on assets held in the Basic Account in respect of pensions being paid, and which is in excess of income calculated using the interest rate assumed by the Actuary. During 1989, the Account was also increased by that portion of the 1988 Early Retirement Incentive Program contributions from the Province of British Columbia and related interest which the Actuary attributed to the future cost of inflation adjustment supplements pertaining to this Program.

	1989		1988	
	Basic Account	Inflation Adjustment Account	Basic Account	Inflation Adjustment Account
	($ Thousands)			
Capitalized Value of inflation adjustment supplements granted	$ 48,684	$(48,684)	$44,921	$(44,921)
Capitalized Value of indexing of highest average salary	760	(760)	960	(960)
Excess Interest	(49,908)	49,908	(23,206)	23,206
Other	(10,024)	10,024	—	—
	$(10,488)	$ 10,488	$22,675	$(22,675)

8. TRANSFERS FROM THE MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION ACCOUNT

Former Members of the Legislative Assembly who have been granted superannuation allowances are paid contributory allowances and inflation adjustment supplements from the Public Service Superannuation Fund (the Fund).

A contributory allowance is financed at the time the allowance is first granted by the transfer to the Fund from the Members of the Legislative Assembly Superannuation Account (the Account) of the capitalized value of the contributory allowance.

Former members receiving an allowance who are re-elected to the Legislature cease to receive an allowance and resume contributing to the Account. In addition, an amount equal to the capitalized value of their superannuation allowance is transferred from the Public Service Superannuation Fund to the Account.

During the year ended March 31, 1989, 2 Members (1988 — 2) were granted superannuation allowances. The capitalized value of these allowances was $910,583 (1988 — $1,035,766) which, along with the balance of current year inflation adjustment contributions of $14,871 (1988 — $14,497), is due from the Account.

9. ACTUARIAL VALUATION

According to the *Pension (Public Service) Act*, an actuarial valuation of the assets and liabilities of the Fund is required to be made by an Actuary at least once in each consecutive period of not more than 5 years. The most recent valuation was carried out as at March 31, 1987. The valuation indicated a decrease in the unfunded liability in respect of basic pension benefits from $555,858,000 as of March 31, 1984 to $456,062,000 as of March 31, 1987. This decrease is the net result of a number of items, the most significant being greater than forecast income from investments, offset by experience gains and losses on other actuarial assumptions.

The contributions required under the pension plan were determined under a "level contribution" funding method. This method expresses employer contributions as a constant percentage of future payrolls that, together with future employee contributions and investment earnings, will finance the benefits for a typical new entrant to the plan and, in addition, will maintain the unfunded liability as a constant percentage of future payrolls.

PUBLIC SERVICE SUPERANNUATION FUND

SCHEDULE 1 — *Page 1 of 2*

LONG-TERM INVESTMENTS HELD AS AT MARCH 31, 1989

	Par Value $	Book Value $	Market Value $
Government of Canada	929,082,000	873,104,000	860,942,429
Government of Canada guaranty			
Federal Business Development Bank	20,000,000	19,938,279	19,683,890
Export Development Corporation	4,000,000	3,858,526	3,802,604
Province of Alberta	23,200,000	23,041,650	21,909,852
Province of British Columbia	112,311,000	111,646,679	109,687,239
Province of Manitoba	90,860,000	90,648,645	88,220,938
Province of Nova Scotia	4,250,000	4,395,348	4,521,914
Province of Ontario	1,000,000	931,135	841,612
Province of Prince Edward Island	1,000,000	998,173	982,793
Province of Quebec	23,150,000	22,993,515	23,656,171
Province of Saskatchewan	65,576,000	65,338,060	62,385,598
Province of Alberta guaranty			
Alberta Municipal Finance Corporation	8,600,000	8,827,342	8,768,200
Alberta Telephone	3,366,000	3,347,141	3,087,668
Province of British Columbia guaranty			
British Columbia Hydro and Power Authority	300,705,000	299,467,052	273,882,320
British Columbia Railway Company	86,848,000	86,761,307	88,100,521
British Columbia Power Commission	38,000	34,595	31,304
British Columbia Educational Institutions Capital Financing Authority	1,025,000	1,025,000	1,016,227
British Columbia Regional Hospital Districts Capital Financing Authority	10,440,000	10,072,329	9,456,684
British Columbia School Districts Capital Financing Authority	19,000,000	18,975,690	19,230,225
British Columbia improvement districts	7,541,400	7,518,038	6,810,771
British Columbia municipalities	603,799	595,349	557,061
Province of Manitoba guaranty			
Manitoba Telephone Systems	70,000	68,761	60,683
Province of New Brunswick guaranty			
New Brunswick Electric	2,000,000	2,097,010	2,022,440
Province of Newfoundland guaranty			
Newfoundland and Labrador Hydro-electric Corporation	700,000	696,909	640,150
Newfoundland Municipalities Capital Financing Authority	1,000,000	996,933	923,136
Province of Nova Scotia guaranty			
Nova Scotia Power Corporation	347,000	334,720	304,145

PUBLIC SERVICE SUPERANNUATION FUND

SCHEDULE 1 — *Page 2 of 2*

LONG-TERM INVESTMENTS HELD AS AT MARCH 31, 1989

	Par Value $	Book Value $	Market Value $
Province of Ontario guaranty			
Ontario Hydro-electric Power Commission	273,489,000	274,557,489	265,746,016
Province of Quebec guaranty			
Quebec Hydro-electric Commission	70,400,000	69,608,325	68,053,735
Eurobank guaranty			
World Bank Notes	1,000,000	996,564	997,500
Corporate Bonds			
B.C. Telephone Company	50,000	40,436	46,625
Consumers' Gas	50,000	40,943	44,285
Hudson's Bay Company Acceptance	50,000	43,170	45,500
Total Value of Bonds and Notes	2,061,752,199	2,002,999,113	1,946,460,236
Shares			
Bank of British Columbia (122,106)	—	1,005,611	141,643
British Columbia Telephone Company (1,215,844)	—	22,253,812	36,171,359
Canadian Pacific Limited (3,600)	—	44,260	84,150
Imperial Oil Limited (300)	—	13,922	16,125
International Nickel Company of Canada Ltd. (450)	—	12,382	16,431
Total Value of Shares	—	23,329,987	36,429,708
	2,061,752,199	2,026,329,100	1,982,889,944
1988 Comparisons	1,909,905,828	1,853,903,732	1,889,132,758

PUBLIC SERVICE SUPERANNUATION FUND

SCHEDULE 2

INVESTMENT INTEREST AND TRANSACTIONS

Comparative Statistics, April 1, 1979 to March 31, 1989

Year Ended March 31	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Net earned rate of the Fund	% 8.83	% 9.41	% 12.42	% 12.37	% 10.75	% 11.14	% 10.73	% 10.15	% 9.87	% 10.32
	$ (000)	$ (000)	$ (000)	$ (000)	$ (000)	$ (000)	$ (000)	$ (000)	$ (000)	$ (000)
Income from investments	63,932	81,107	158,574	160,104	171,476	205,668	226,015	240,416	261,335	303,441
Net increase (decrease) in long-term investments										
Bonds — par value	73,199	214,221	(2,566)	106,694	116,672	84,611	485,174	201,914	160,083	151,846
Shares — book[1]	—	277	—	728	675	1,348	1,752	2,039	898	852
Fund balance	823,385	982,343	1,263,982	1,537,845	1,795,158	2,063,573	2,334,072	2,622,704	2,958,615	3,223,323

[1] In 1982/83 the government changed the basis of valuation of shares. Formerly carried at cost, shares are now carried at cost adjusted by 7% of the difference between the cost or adjusted cost and market value.

PUBLIC SERVICE SUPERANNUATION FUND

SCHEDULE 3

Main Comparative Statistics, April 1, 1979 to March 31, 1989

Fiscal Year	Number of Contributors	Contributions				Member Refunds		Superannuation Allowances				
		Member		Employer (3)	Refunds to Minister of Finance	Number	Amount	Number Granted	Deaths and Expirations	Number in Force at End of Year	Amount Paid	
		Regular (3)	Voluntary Reinstatement and Military								Contributory	Inflation Adjustment Supplement (4)
		$	$	$	$		$				$	$
1979/80	46,177 3,033[1]	44,547,242	1,756,615	71,025,484	7,490,209	3,856	8,727,191	694 7[2]	78 —	6,656 47[2]	25,582,534	8,615,903
1980/81	47,857 3,640[1]	54,348,447	1,273,020	78,503,914	4,503,644	4,075	12,248,437	709 1[2]	151 1[2]	7,214 47[2]	30,239,736	11,451,709
1981/82	49,057 3,944[1]	64,956,872	1,799,625	91,003,851	—	5,148	16,102,436	828 —	134 —	7,908 47[2]	46,484,023	1,254,158
1982/83	50,396 3,871[1]	71,961,004	1,003,865	106,667,203	—	2,845	9,646,423	825 1[2]	146 —	8,587 48[2]	54,636,332	6,279,568
1983/84	49,055 3,939[1]	70,323,298	1,666,010	100,493,730	—	3,448	14,616,005	952 9[2]	160 —	9,379 57[2]	62,038,243	10,789,647
1984/85	45,135 4,079[1]	66,712,654	945,024	95,774,735	—	4,888	24,310,679	1,509[5] 1[2]	146 1[2]	10,742 57[2]	74,001,929	13,571,346
1985/86	44,665 4,444[1]	66,414,967	724,549	95,445,475	—	2,912	15,217,071	1,046	202 2[2]	11,586 55[2]	83,497,418	16,134,144
1986/87	45,019 5,020[1]	68,098,735	709,287	98,081,069	—	2,946	16,765,461	1,022 22[2]	203 3[2]	12,405 74[2]	91,110,174	19,212,431
1987/88	44,652 4,984[1]	71,128,866	1,090,521	145,005,832	—	3,280	19,083,368	1,284 2[2]	180 —	13,509 76[2]	99,960,875	22,686,939
1988/89	41,820 5,590[1]	68,694,380	2,475,374	101,778,795	—	4,208	22,790,074	2,686 2[2]	252 —	15,943 78[2]	134,086,441	26,640,639

[1] Non-active — out of service but account remains at credit.
[2] Allowances in respect of former Members of the Legislative Assembly.
[3] Member and employer contributions increased by 0.5% of salary effective October 1, 1980. Effective April 1, 1982, employer contributions were increased a further 2.5% of salary.
[4] Effective October 1, 1980, member and employer contributions each of 1.25% of salary are being credited to the Inflation Adjustment Account and used to finance the capitalized value of inflation adjustment supplements granted each January 1st.
[5] Included in the superannuation allowances granted for 1984/85 are 128 former contributors to the Pacific Coach Lines Ltd. Employees' Retirement Plan who are eligible to receive pension benefits paid under the *Pension (Public Service) Act*.

PUBLIC SERVICE SUPERANNUATION FUND

SCHEDULE 4

Comparative Statistics, April 1, 1979 to March 31, 1989

Subdivided According to Sex of Contributor

Fiscal Year	Number of Contributors		Number of Refunds Granted		Allowances					
					Number of Allowances Granted		Number of Deaths and Expirations		Number of Allowances in Force At End of Year	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
1978/79	25,807	17,213	1,174	1,736	487	199	81	26	4,556	1,484
Non-active	1,686	1,557								
1979/80	26,670	19,507	1,722	2,134	471	223	26	52	5,010	1,646
Non-active	1,577	1,456								
1980/81	28,538	19,319	1,760	2,315	484	225	89	62	5,405	1,809
Non-active	1,661	1,979								
1981/82	28,791	20,266	2,324	2,824	626	202	49	37	5,982	1,974
Non-active	1,757	2,187								
1982/83	29,197	21,199	1,128	1,717	630	196	110	37	6,502	2,133
Non-active	1,944	1,927								
1983/84	28,584	20,471	1,354	2,094	722[1]	239	123[1]	37	7,101[1]	2,335
Non-active	1,968	1,971								
1984/85	26,383	18,752	2,132	2,756	1,151[2]	358[2]	119	27	8,133	2,666
Non-active	2,017	2,062								
1985/86	26,071	18,594	1,244	1,668	730	316	157	47	8,706	2,935
Non-active	2,157	2,287								
1986/87	26,148	18,871	1,290	1,656	756	288	153	53	9,309	3,170
Non-active	2,405	2,615								
1987/88	25,650	19,002	1,445	1,835	916	370	138	42	10,087	3,498
Non-active	2,412	2,572								
1988/89	23,173	18,647	2,327	1,881	1,877	811	202	50	11,762	4,259
Non-active	2,723	2,867								

Non-active — out of service but account remains at credit.

[1] 1983/1984 statistics restated to account for adjustment in MLA pensioners, restated to account for pension reinstatements.

[2] 1984/85 new allowances granted include 101 male and 17 female pensioners transferred to the pension fund in respect of the transfer from the Pacific Coach Lines Ltd. Employees' Retirement Plan.

PUBLIC SERVICE SUPERANNUATION FUND

SCHEDULE 5

Normal Allowances Granted April 1, 1988 to March 31, 1989

SUBDIVIDED BY YEARS OF SERVICE AND VALUE OF ALLOWANCE

Years of Service	Number of Allowances Granted	Average Salary During Last Five Years	Average Annual Allowance on Single Life Plan	Average Value of Allowance	Average Employee Share	Average Employer Share
		$	$	$	$	$
Under 10 years	108	28,512	2,691	32,980	9,127	23,853
10–14	784	26,208	4,662	59,298	17,594	41,704
15–19	510	27,360	6,640	83,028	22,726	60,302
20–24	439	28,632	8,930	113,873	27,267	86,606
25–29	296	30,468	12,920	159,884	33,807	126,077
30–34	367	31,500	16,392	200,259	41,290	158,969
35 and over	81	34,668	20,020	234,726	45,271	189,455
AVERAGE OF NORMAL ALLOWANCES GRANTED DURING YEAR:						
	59 (Age)	28,440	8,787	109,176	25,983	83,193
TOTAL VALUE OF NORMAL ALLOWANCES GRANTED DURING YEAR:						
	2,585	–	22,714,395	282,219,697	67,166,762	215,052,935

PUBLIC SERVICE SUPERANNUATION FUND

SCHEDULE 6

Normal Allowances Granted April 1, 1988 to March 31, 1989

GRANTED TO FORMER CONTRIBUTORS WHOSE MAXIMUM RETIREMENT AGE WAS 65

Years of Service	Age at Retirement												Total	Percent
	Under 55	55	56	57	58	59	60	61	62	63	64	65		
Under 10	—	11	11	5	6	12	14	15	8	8	7	9	106	4
10–14	—	109	74	76	73	94	60	65	54	50	47	54	756	31
15–19	—	68	46	54	44	48	44	53	39	37	32	28	493	20
20–24	—	82	35	39	44	44	28	26	28	31	22	24	403	16
25–29	—	58	33	32	32	27	25	21	17	14	13	6	278	11
30–34	—	84	41	52	43	39	23	18	13	9	18	3	343	15
35 and over	—	18	8	13	6	9	4	6	6	4	5	2	81	3
Total	—	430	248	271	248	273	198	204	165	153	144	126	2,460	
Percent	—	17	10	11	10	11	8	8	7	6	6	6		100

GRANTED TO FORMER CONTRIBUTORS WHOSE MAXIMUM RETIREMENT AGE WAS 60

Years of Service	Age at Retirement												Total	Percent
	Under 50	50	51	52	53	54	55	56	57	58	59	60		
Under 10	—	—	—	—	—	1	—	—	—	—	—	1	2	2
10–14	—	1	1	3	3	3	2	4	1	6	3	1	28	22
15–19	—	3	2	—	1	—	4	3	3	1	—	—	17	14
20–24	—	3	1	9	4	4	2	6	3	1	—	3	36	29
25–29	—	2	2	1	4	2	1	1	3	1	1	—	18	14
30–34	—	—	—	5	2	4	3	6	3	—	1	—	24	19
35 and over	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	9	6	18	14	14	12	20	13	9	5	5	125	
Percent	—	7	5	14	11	11	10	16	11	7	4	4		100

Allowances Other Than Normal Granted April 1, 1988 to March 31, 1989

Number of Allowances Granted	Death	Disability	Deferred
101	55	2	44

PUBLIC SERVICE SUPERANNUATION FUND

SCHEDULE 7

Approved and Reciprocal Employers as at March 31, 1989

APPROVED EMPLOYERS

Section 18 (4) (a) provides for the granting of a deferred allowance to a contributor who within three years of his last contribution to the Fund enters the employment of one or more of the following employers, remains in employment long enough to qualify for a monthly pension benefit and has at least 10 years combined contributory service under this plan and the pension plan of the approved employer —

	Effective Date
Bricklayers and Masons Pension Plan	November 16, 1984
B.C. Agricultural Research and Development Corporation Ltd.	July 29, 1987
B.C. Central Credit Union	December 4, 1974
B.C. Railway Company	June 10, 1963
B.C. Rapid Transit Company Ltd. — Management Employees	July 25, 1985
B.C. Research Council	March 3, 1988
City of Calgary	July 13, 1972
Federal Business Development Bank	July 29, 1987
Government of Canada Public Service Superannuation Plan	June 24, 1955
HTS Hi-tech Systems Ltd.	December 20, 1984
Legislative Assembly of the Province of British Columbia	June 10, 1963
Pacific Coach Lines (formerly Vancouver Island Coach Lines)	April 1, 1979
Pacific Press Limited	July 14, 1960
The Plumbing and Pipefitting Workers Local 170 Pension Plan	August 30, 1988
Simon Fraser University	September 18, 1980
University of British Columbia	August 20, 1962
University of Saskatchewan Research Pension Plan	October 29, 1986
University of Toronto	November 26, 1986
University of Victoria	December 21, 1970

AGREEMENTS NEGOTIATED WITH OTHER EMPLOYERS

Section 38 (4) provides that the Commissioner may enter into an agreement to protect pension rights in respect of an employee who transfers to or from the service of the following employers —

Bel Maintenance Inc.	January 5, 1989
B.C. Hydro and Power Authority	September 14, 1970
Canada Museums Construction Corporation	January 5, 1987
Canadian Broadcasting Corporation	July 2, 1981
Central Mortgage and Housing Corporation	March 6, 1975
Coquitlam School District No. 43 (Non-Teaching)	April 25, 1988
Government of Canada	June 24, 1955
HTS Hi-tech Systems Ltd.	December 20, 1984
Province of Alberta	October 19, 1976
Province of Alberta — Management Positions	May 5, 1977
Province of Manitoba	February 17, 1975
Province of New Brunswick	December 11, 1974
Province of Newfoundland	September 23, 1980
Province of Nova Scotia	September 29, 1986
Province of Ontario	August 4, 1971
Province of Prince Edward Island	March 1, 1979
Province of Saskatchewan	May 2, 1977

RECIPROCAL EMPLOYERS

Section 16 provides for the method of calculating the monthly pension benefit for an employee who within three years of making his last contribution to the Fund transfers to or from the service of the following British Columbia reciprocal employers and commences contributing to the pension plan —

An employer under the *Pension (College) Act*	April 1, 1973
An employer under the *Pension (Municipal) Act*	April 1, 1973
An employer under the *Pension (Teachers) Act*	April 1, 1973
Workers' Compensation Board	June 5, 1974

PUBLIC SERVICE SUPERANNUATION FUND

SCHEDULE 8

Approved Group Disability Salary Continuance Plans as at March 31, 1989

APPROVED PLANS

Section 1 provides for the approval of group disability salary continuance plans by the Provincial Secretary. Section 15 (7) provides that any period during which a contributor receives benefits from an approved plan, is treated as a period of pensionable service for the purposes of the *Pension (Public Service) Act* in respect of the following employers —

Employer	Date Plan Approved
B.C. Assessment Authority	October 14, 1976
B.C. Enterprise Corporation	April 10, 1984
B.C. Government Employees' Union	May 27, 1981
B.C. Housing Management Commission	July 6, 1981
B.C. Institute of Technology	July 25, 1977
B.C. Pavilion Corporation	May 10, 1988
Emergency Health Services Commission	January 6, 1978
Metro Transit Operating Company	June 10, 1980
Pacific Coach Lines Ltd.	October 24, 1984
Public Service Long Term Disability Plan	April 26, 1978
Workers' Compensation Board (Boards of Review)	October 10, 1980

PENSION (PUBLIC SERVICE) ACT

SCHEDULE 9

DEATH BENEFITS FUND

SECTION 43–46

Any contributor who is eligible for an allowance under the *Pension (Public Service) Act* or the *Legislative Assembly Allowances and Pension Act* may elect, on or before the day on which their allowance is granted, to purchase insurance coverage under the Death Benefits Fund. The cost to each contributor is $1.00 per month. Benefits payable upon death are dependent on the age of the participant:

	$
Less than 66	1,000
66 but not 67	900
67 but not 68	800
68 but not 69	700
69 but not 70	600
70 or over	500

Summary of Claims Paid for the Year Ended March 31, 1989

Number of Claims	Amount of Claims $	Total $
187	500	93,500
13	600	7,800
17	700	11,900
8	800	6,400
17	900	15,300
49	1,000	49,000
291		183,900

Summary of Sources of Funds for the Year Ended March 31, 1989

	$
Contributions by superannuants	135,722
Contributions by Government	48,178
	183,900

11,481 superannuants were contributing as at March 31, 1989.

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